

**Incurred Cost Audit
TIRNO-95-C-00044**

October 2000

Reference Number 2001-1C-007



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

INSPECTOR GENERAL
for TAX
ADMINISTRATION

October 19, 2000

MEMORANDUM FOR JAMES A. WILLIAMS
DIRECTOR OF PROCUREMENT
INTERNAL REVENUE SERVICE

A handwritten signature in black ink that reads "Pamela J. Gardiner".

FROM: Pamela J. Gardiner
Deputy Inspector General for Audit

SUBJECT: Incurred Cost Audit TIRNO-95-C-00044

The Defense Contract Audit Agency (DCAA) audited the incurred cost submission for TIRNO-95-C-00044. The purpose of the audit was to determine the allowability of direct costs and indirect cost rates and to establish audit determined indirect cost rates for November 1994 through December 1998.

DCAA qualified its audit report because the results of assist audits for the subcontractors had not been received.

In summary, DCAA disallowed expenses in each of the following years: 1995, 1996, 1997 and 1998. The disallowed expenses reduced various indirect rates in each year. For additional details refer to pages 3 through 5 of the DCAA report.

The information in this report should not be used for purposes other than that intended without prior consultation with the Treasury Inspector General for Tax Administration regarding its applicability.

If you have any questions, please contact me at (202) 622-6510, or your staff may call Maurice S. Moody, Associate Inspector General for Audit (Headquarters Operations & Exempt Organizations Programs), at (202) 622-8500.

NOTICE:

The Office of Inspector General for Tax Administration has no objection to the release of this report, at the discretion of the contracting officer, to duly authorized representatives of the contractor.

The contractor information contained in this report is proprietary information. The restrictions of 18 USC 1905 must be followed in releasing any information to the public.

This report may not be released without the approval of this office, except to an agency requesting the report for use in negotiating or administering a contract with the contractor.

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